

Board of County Commissioners Workshop Request

Date of Meeting: September 13, 2005

Date Submitted: September 7, 2005

To: Honorable Chairman and Members of the Board

From: Parwez Alam, County Administrator
Vincent Long, Assistant County Administrator
Alan Rosenzweig, Director, Office of Management and Budget

Subject: Workshop on Economic Development Council of Tallahassee/Leon County

Statement of Issue:

This workshop item presents the findings of the staff review of the Economic Development Council of Tallahassee/Leon County, Inc.

Background:

During the June 14, 2005 Budget Workshop, the Board of County Commissioners requested an in-depth review of the Economic Development Council of Tallahassee/Leon County, Inc. (EDC). At that time, the Board directed staff to perform a comprehensive review of the EDC's expenditures in addition to the annual review of the EDC's performance contract with the county. This workshop item presents the findings from that review.

Analysis:

EDC Overview:

The mission of the Economic Development Council of Tallahassee/Leon County, Inc. (EDC) is to create high-wage jobs with benefits by marketing the community's strengths, particularly targeting certain industries, as well as retaining, protecting and nurturing local businesses. The Council serves primarily as a liaison between business, state and local governments and educational institutions while fostering collaboration on development issues, product, business retention and recruitment.

The EDC receives approximately half of their total funding of \$790,000 through their public relationship between Leon County (\$210,000) and the City of Tallahassee (\$150,000). The remaining half of EDC's funding is derived from a collection of membership dues from local businesses and organizations. The EDC currently has 78 members (Attachment #1).

The Council is governed by a board of thirty seven members with E. Edward Murray Jr. serving as the chairman and William D. Law Jr. as the chairman-elect. A full listing of all members is included as Attachment #2. The EDC staff is composed of two employees and one contract employee, who

work exclusively for the organization, and five employees who work jointly for EDC and the Tallahassee Chamber of Commerce (Chamber).

County Funding:

Since 1995 Leon County has been providing the EDC with financial assistance. For the current fiscal year, the County and the EDC entered into a performance based contract in order to link funding to program success (Attachment #3). The County currently appropriates \$210,000 to the EDC, including \$25,000 for the Qualified Targeted Industries (QTI) Incentive and \$35,000 for the Business Retention and Expansion Program. As presented later in this workshop item, the QTI is a state program that requires a local match. The county escrows their match funds with the EDC. The County's QTI account, with the EDC, currently has \$150,000 available.

Currently the City of Tallahassee allocates \$150,000 to the EDC. The City independently maintains a separate account of \$25,000 for the Economic Development Investment Fund (QTI).

As depicted in Table #1, the County has contributed over \$1.5 million to the EDC and the City has contributed \$1.45 million, for a combined total of \$2.97 million to the EDC in support of business development, retention, job creation and other economic development initiatives in the community.

Table #1: Historical trend of County and City EDC Funding

| Year | County Payment | City Payment | Total County/City Payment |
|---------------|--------------------|---------------------|---------------------------|
| 1995 | \$6,680 | No record available | \$6,680 |
| 1996 | \$21,650 | \$143,750 | \$165,400 |
| 1997 | \$51,466 | \$118,750 | \$170,216 |
| 1998 | \$105,000 | \$118,750 | \$223,750 |
| 1999 | \$175,000 | \$175,000 | \$350,000 |
| 2000 | \$175,000 | \$150,000* | \$325,000 |
| 2001 | \$175,000 | \$150,000 | \$325,000 |
| 2002 | \$175,500 | \$150,000 | \$325,500 |
| 2003 | \$210,000 | \$150,000 | \$360,000 |
| 2004 | \$210,000 | \$150,000 | \$360,000 |
| 2005 | \$210,000 | \$150,000 | \$360,000 |
| Totals | \$1,515,296 | \$1,456,250 | \$2,971,546 |

* The City maintains \$25,000 annual QTI contribution in a separate City account

Private Funding:

As previously mentioned, half of the EDC funding is derived from membership dues. There are two divisions of memberships within the EDC; Advisory Council and Contributors. Within each of these divisions are additional investment levels which correlate to the type of benefits the members receive (Attachment #4). Participation allows for attendance at EDC events and varies between Advisory Council and Contributor members. Table #2 outlines different levels of membership within the two divisions.

Table #2: EDC Membership Levels

| Advisory Council | | Contributors | |
|---|-------------------|--|------------------|
| Allows for participation for one CEO and three executives at EDC events | | Allows for participation for one CEO at EDC events | |
| <i>Sustaining Partner</i> | \$20,000 per year | <i>Development Partner</i> | \$2,500 per year |
| <i>Trustee Partner</i> | \$15,000 per year | <i>Benefactor Partner</i> | \$1,500 per year |
| <i>Growth Partner</i> | \$10,000 per year | | |
| <i>Executive Partner</i> | \$7,500 per year | | |
| <i>Corporate Partner</i> | \$5,000 per year | | |

Financial Review:

To comply with the Board's request for a fiscal review, staff analyzed and reviewed information regarding the funding, structure, policies and procedures of EDC, most of which was provided by the EDC. The information is presented in four main sections, each with separate observations and recommendations. The sections of the report are as follows:

- I. Evaluation of the relationship between the EDC and the Tallahassee Chamber of Commerce (Chamber)
- II. Evaluation of the internal controls of the EDC as they relate to fiscal and operational policies and procedures
- III. Evaluation of the EDC contractual goals and the expenditures used to meet them
- IV. Evaluation of the development of a new incentive package for the recruitment of businesses to the area

On August 23, 2005, staff submitted a draft copy of the workshop item to the EDC for comments relating to the specific recommendations outlined within this review. Following each recommendation is the EDC's response pertaining to that specific observation and recommendation (Attachment # 5).

I. Evaluation of the Relationship between the EDC and Chamber:

Background:

The Tallahassee Chamber of Commerce mission statement is to

"enhance the business climate of Florida's Capital City, while ensuring economic prosperity and improving the quality of life enjoyed by its citizens through: active promotion of economic development and employment opportunities; proactive leadership and strong representation of business interests; effective organization and mobilization of stakeholders in the community through committee involvement; valuable service to our membership by providing information, training/education, and networking opportunities; programs which encourage business leadership, educational improvement and environmental awareness."

The EDC's mission is to

"create high-wage jobs with benefits by marketing the community's strengths, particularly targeting certain industries, as well as retaining, protecting and nurturing local businesses."

Although the Chamber and EDC share personnel and resources, including physical location, the mission statements of each of these separate entities show a distinct difference in goals. This unique partnership allows the Chamber to focus on networking and lobbying on behalf of local business in Tallahassee. In turn, the EDC's focal point is to sell Leon County and Tallahassee as a place to do business by fostering growth in existing industries and recruiting new business to the area.

Observation #1: Financial Relationship

The EDC is a separate 501c3 corporation created after an initial Chamber study, Project 2010, recommended the creation of a 501c3 for economic development purposes. In September 1996, the Economic Development Council was established. In order to operate in an efficient cost effective manner, the EDC uses the Chamber as a fiscal agent for a number of transactions that allow for economies of scale. Thus, some staff positions have shared functions for both organizations and each organization pays a portion of personnel expenses related to those staff positions.

The EDC makes approximately six payments to the Chamber each year totaling to \$1.06 million for the past three years. Currently, there is not a standard payment schedule for these payments. According to conversations with EDC staff, these payments to the Chamber cover payroll for the EDC, payroll taxes, health insurance, workers' comp, 401K, and office equipment. The EDC was unable to provide documentation for all of these payments. When information was provided it did not include an itemized account for each of the six yearly payments made by the EDC to the Chamber.

Recommendation #1:

Staff recommends that the Chamber produce invoices for the EDC in regards to the EDC's portion of the expenses. In addition, staff recommends that the Chamber and the EDC create a standard payment schedule detailing the level of payment and purpose.

EDC's Response:

EDC staff concurs and will comply with recommendation #1. EDC Action-CPA will prepare a monthly report on the "due to/due from" account between the Chamber and the EDC to accompany a monthly payment request.

Observation #2: Roles of the EDC President and EDC Executive Director

According to the section 4.012 of the EDC bylaws, "the Board shall elect a Chairperson, a Chair-elect, a President, a Secretary, and a Treasurer, and such other officers and assistant officers as may be deemed appropriate by the Board" (Attachment #6). Table #3 lists the current officers of the EDC.

Table #3: EDC Officers

| Name | Office |
|----------------------|---------------|
| E. Edward Murray Jr. | Chairman |
| William D. Law | Chair-Elect |
| Sue Dick | President |
| Tripp Transou | Treasurer |

The duties of the EDC President are outline in section 4.03 of the bylaws and state that "the President shall be the executive officer of the Corporation and shall be responsible for carrying out the policy direction of the Board." Currently, Sue Dick serves as both the President of the EDC and the Chamber. Ms. Dick divides her time between both the EDC and Chamber, and according to conversations with EDC staff, spends approximately ¼ of her time on EDC related business. Ms. Dick is compensated for her role in both entities.

On January 10, 2005, Brad Day was appointed Executive Director of the EDC (the Director). Currently, there is not a provision within the bylaws defining his role and responsibilities. According to the EDC organizational chart, the Director reports to EDC President and the Board as well as assists in the administrative duties of the office (Attachment #7). The Director is also compensated for his duties.

Currently, both the roles of the Director and President are under the discretion of the Board and will continue in this matter pending Board action. There are plans to refurbish the bylaws in order to define the Director's role and responsibilities within the EDC. The EDC is hoping to accomplish this before the start of the fiscal year, October 1, 2005.

Recommendation #2:

Staff recommends that the EDC rewrite the bylaws in order to accurately reflect the current organizational structure. Staff also recommends that the EDC distinctly outline the roles and responsibilities of both EDC President and Executive Director.

EDC's Response:

EDC staff concurs and will comply with recommendation #2.

Observation #3: EDC/Chamber Staff

In addition to pooling resources, the EDC and Chamber share employees as well. As identified previously, five out of eight EDC employees work jointly between these two entities. Table #4 lists the employees for both the EDC and Chamber.

Table #4: Economic Develop Council Staff

| EDC Staff | EDC and Chamber Staff |
|--|--|
| Brad Day, Executive Director | Sue Dick, President |
| Karen Hintz, Economic Development Program Coordinator | Stu Bevis, Executive Vice President of Finance and Operations |
| Beth Kirkland, EDC/Project Tomorrow Director of Partnership Development and Existing Industry Specialist | Juli Puckett, Communications and Marketing Department Director |
| | Becky McKee, Executive Assistant |
| | Patty Christiansen, Senior System Administrator |

According to the EDC, each employee works approximately half of their time on EDC related matters and are appropriately compensated. Though requested, the EDC did not supply any documentation, such as time sheets, supporting this claim. Nor was it apparent that a timesheet system is in place to document this split of duties between the agencies.

Recommendation #3:

Staff recommends that the EDC develop a method that provides proper documentation for shared employees and the time that they spend on EDC related matters.

EDC's Response:

EDC staff concurs and will comply with recommendation #3.

II. Evaluation of Internal Controls:

Observation #4: Travel

According to the EDC's employee handbook "all travel must be approved in advance by the President. The employee is required to complete an expense voucher listing in detail, by day all expenses to be reimbursed. Receipts for air travel, car rentals and hotels must be attached to the voucher" (Attachment #8). The travel requirements are the same for both in-state and out-of-state travel. In addition, all travel regarding EDC clientele must be approved by the President.

Travel authorization for the President or Executive Director is at their personal discretion in keeping with the overall course and scope of their employment. However, this is not in compliance with the travel policy in the EDC handbook. During the EDC board meetings, the Treasurer reports the travel that has occurred between meetings to the board.

Typically, the EDC focuses the majority of their travel around trade shows, consultant events and clients that express an interest in relocating to the Leon County area. Primarily, the EDC attends

trade shows and consultant events that involve the industries listed on the Target Industry List (Attachment #9). The EDC usually participates in these shows along with Enterprise Florida and/or Florida's Great Northwest. According to the EDC, participation for these events can cost anywhere from \$500 to \$4,000. The EDC measures the success of trades and consultant events by the leads that are produced and the relationships that are developed.

During this past year, the EDC has traveled to Dallas, New York City and attended a consultant event with Florida's Great Northwest. The EDC was asked to compile a list of this past year's travel. This list was inadequate in that it did not provide a list of plane tickets, hotel accommodations or the purpose of the trip.

Recently, retired Colonel Mike Smith attended the International Paris Air Show for a period of seven days on behalf of the EDC. Colonel Smith and EDC hoped to develop leads and contacts in order to attract aviation/aerospace industry to the Leon County area. Aircraft maintenance and repair for general aviation and regional jets is included as one of EDC's targeted industries. Reimbursements for the trip totaled \$4,202.97.

Recommendation #4:

Staff recommends that the EDC Board Chairman, or designee, approve the EDC President and Executive Director's travel. Staff recommends that all travel requests be approved prior to it occurring and that the EDC provide documentation on the purpose of the trip and the desired result.

EDC's Response:

EDC staff concurs and will comply with recommendation #4.

Observation #5: Credit Cards

EDC credit cards are issued to officers or employees who are required to travel and/or entertain due to the nature of their job responsibilities. The EDC credit card policy notes that the cards are to be used for the "express purpose of charging reimbursable expenses, incurred by the individual, for the benefit of the EDC" (Attachment #10). This policy is not located in the EDC Financial Policies and Procedures nor is it found in the Employee Handbook. However, every employee who receives a card must sign and acknowledge that they have read the policy and will comply.

The following employees current have active EDC credit cards: Sue Dick (President), Stu Bevis (Vice President of Finance and Operations) and Brad Day (Director). In order to complete a thorough review of EDC expenditures, staff requested credit card statements from the previous three years. The EDC was unable to produce statements for several periods, as shown in Table #5. EDC Staff reported that there was not any activity on the cards during these times.

Table #5: Missing Credit Card Statements

| Credit Card Holder | Missing Statements |
|--------------------|---|
| Sue Dick | February, March, April, May and July 2004 |
| Stu Bevis | July 2004 |

Recommendation #5:

Staff recommends that the EDC retain all financial records for a consistent period of time.

EDC's Response:

EDC staff concurs and will comply with recommendation #5.

Observation #6: FASBAC

FASBAC provides two professional services for EDC on a contract basis. The original contract was for continuation of Private Sector Fundraising. The current EDC contract with FASBAC is for the term of October 1, 2004 through September 30, 2005 and is extended to include Private Sector Fundraising and Business Retention (Attachment #11). In addition, the contract creates a contractual position with the EDC, Director of Partnership Development, who reports directly to the EDC President.

The primary responsibility of the Director of Partnership Development is as follows:

- EDC Partner Forums – minimum of two to include the annual meeting
- Bi-monthly E-Newsletter – emailed to all partners
- Annual Performance Report and Scorecard – distributed by October/November
- Investor's Visits – retention visits to partners contributing at least \$2,500 a year
- EDC Partner Directory & Business Guide – annual guide
- Supplemental Collateral and Programs – activities not yet defined

The compensation is for \$40,000 with a \$5,000 bonus based on securing a minimum of \$415,000 in received/deposited membership revenue. An additional 10% bonus will be given at the end of the year for the difference in revenue, if membership revenue is over the \$415,000 base. However, as of May 2005, the EDC shows nine payments to FASBAC totaling \$61,924.77. As of May 2005, this amount is \$21,924.77 over the current contractual amount. According to the EDC, the reason for the additional compensation to FASBAC is that the current contract did not allocate compensation for the new business retention service provided by FASBAC.

Recommendation #6:

Staff recommends that the EDC specifically outline the duties and responsibilities of FASBAC within the contract and compensate the enterprise appropriately. The current contract does not specify a monetary amount for the business retention service provided by FASBAC. This amount should be included within the contract. In addition, staff recommends that Director of Private Partnership report directly to the Executive Director and not the EDC President.

EDC's Response:

EDC staff concurs and will comply with recommendation #6. EDC Action-Adjust contract with FASBAC for FY 05-06 to reflect recommendations regarding clarification of duties and responsibilities and direct reporting protocol.

III. Evaluation of the FY 04/05 EDC Contract:

Background:

The Board contracts annually with the EDC to promote job growth and comprehensive economic development in Leon County. On October 12, 2004, the Board approved a performance based contract with the EDC for fiscal year 2004/05 in order to better evaluate the EDC's progress in attracting new business to Leon County and to link funding to program success. The current contract with EDC contains 16 key performance objectives (Attachment #3). Payment to the EDC is divided into two separate disbursements of \$105,000 each, based upon the County's review of the progress reports to determine whether adequate progress has been made toward reaching the performance objectives outlined within the current contract.

In accordance with the contract, the EDC submitted its Semi-Annual Report to the Board on April 13, 2005. The report identifies each one of the 16 performance standards and provides a general description of the EDC's mid year activity for each objective. While the EDC was on target to meet several of their performance objectives, the EDC noted that in regards to the first objective ("create or retain a total of 400 jobs through business recruitment, retention and expansion efforts") that "no companies assisted by the EDC have made expansion or relocation announcements in the first two quarters of FY 04-05." Also, the EDC stated that they expect 50 to 75 new jobs or expansion jobs to be created or retain within the last two quarters of the fiscal year, which is 300 jobs short of the targeted objective.

In a letter to the EDC Director on April 21, 2005, the County Administrator expressed his concern regarding the EDC's ability to meet each of the contract's performance measures, specifically as it relates to creation and retention of jobs (Attachment #12). At that time, the County did issue the first of the two \$105,000 payments to the EDC and urged the EDC to meet all the performance objectives within the contract, especially the job creation/retention goal. The County will consider issuing the second payment of \$105,000 to the EDC upon receiving and reviewing of the EDC's annual report.

The EDC has not yet completed their annual report therefore it was unavailable for staff review. However, the EDC has requested that the contract between the County and the EDC be extended for an additional year at the current funding level of \$210,000.

The following observations directly relate to the EDC contract and the expenditures used to achieve the objectives outlined within the performance based contract.

Observation #7: Expenditures

A majority of EDC operational expenses cover employee salaries and benefits, accounting for 45% of the EDC's budget. The remaining expenses are accrued mainly in costs associated with program development and business retention relating to advertising and marketing materials and dues, publications and subscriptions.

The Director of Partnership Development is responsible for working with local industries and partners in regard to business retention. With the assistance of FASBAC, the EDC works with local companies to help them find value in staying within the Leon County community. Through a series of roundtable forums, the EDC is able to foster business to business partnering and serve as a private/public liaison. Currently, there are six round tables hosted by the EDC and Director of Partnership Development: Association, Healthcare, Distribution, Manufacturing, Technology and Commercial Real Estate/Development. As of August 3, 2005, the EDC has spent \$20,405.40 on business retention. Out of that amount \$10,314.40 or 50.5% has been allocated toward the FASBAC contract. Remaining expenditures relate to report design and printing. For the upcoming fiscal year, the EDC has budgeted \$45,000 for purpose of the business retention.

Project Development involves using materials and expenses that are needed to attract new companies such as: marketing material, coordinating with economic development partners and hosting prospects. As of August 3, 2005, the EDC has spent \$8,129.93 on project development. FASBAC has been the recipient of 23% or \$1,910.13 of that amount. Other major expenditures include \$1,500 to Enterprise Florida and \$945.00 to Astro Travel. For the upcoming fiscal year, the EDC has budgeted \$27,000 for purpose of the project development.

The EDC has spent approximately \$40,000 during the past three years on food and beverages. This amount does not appear to be unreasonable for the size of the EDC budget; however there are various other expenditures accrued by the EDC during the past three years that do not necessarily meet the overall mission of the EDC – to recruit, retain and nurture businesses as follows:

- November 2004 the EDC paid WFSU-FM \$3,640.00. According to the EDC, this payment was for a radio announcement promoting the organization.
- May 2004, the EDC allocated \$823 toward the purchase of FSU football tickets. The EDC reported that these tickets were used to court Atlanta business owners, who happen to be Florida State Alumni. The EDC did not indicate whether or not the company currently does business in the Leon County area.
- June 2003, the EDC paid the FAMU Foundation \$2,500 for the retirement gala of Dean Sybil Collins Mobley.

Recommendation #7:

Staff recommends that all EDC expenditures be used for the direct purpose of recruiting, retaining and nurturing businesses.

EDC's Response:

EDC staff concurs and will comply with recommendation #7.

Observation #8: Wadley Donovan Study

In 2004, the EDC paid Wadley Donovan approximately \$80,000 to conduct a labor market assessment on Leon County and Tallahassee. The Wadley Donovan group sited four industries as targets for this area: pharmaceutical preparations and manufacturing, aircraft maintenance and repair, financial and insurance administration service centers and 'niche opportunities.' The EDC is using this study to dictate a large part of their marketing efforts. According to the EDC, the study has helped define much of their direction in new recruitment and expansion of local firms. The EDC plans to focus on viable industry sector growth opportunities as defined within this study. However, the EDC has yet to recruit an industry identified in this study to Leon County.

Recommendation #8:

Staff recommends that the EDC utilize the Wadley Donovan study in its efforts to recruit new businesses to the Leon County area.

EDC's Response:

EDC staff concurs and will comply with recommendation #8.

Observation #9: Six Targeted Outcomes

EDC staff outlined six targeted outcomes as part of this review to use as a base for a new contractual agreement between the EDC and the County. It should be noted that these six targets are also the priorities of the EDC's 2005-2006 work plan and they are as follows:

1. Develop a competitive incentive package for recruitment
2. Foster growth in existing industries, especially: healthcare, technology and high-end back office
3. To tie EDC efforts to cultural, transportation, and community diversity
4. Create partnerships with the universities that benefit the local community
5. Unite small business resources in our community
6. Prepare for accreditation

However, these outcomes do not mention the administration of the Enterprise Zone and measurable goals for business retention and job creation.

Recommendation #9:

During any given year, the EDC may not be able to fulfill all the performance objectives outlined within its contract with the County. Staff acknowledges that much of the EDC's efforts are multi-year in nature and may not produce results in any one given year. For example, the EDC did not recruit or retain 400 jobs but did manage to achieve most of the other objectives included in the contract.

Therefore if it is the Board's direction to continue to contract with the EDC, staff recommends streamlining the 16 objectives outlined within the contract to the following:

- A contractual agreement directing the EDC to continue to recruit, retain and nurture local businesses to the Leon County/Tallahassee area
- Require the EDC to submit a mid-year and annual report to the Board detailing their efforts in business recruitment, retention, serve as the Enterprise Zone Coordinator for this area and continue to serve as the QTI administrator
- Do not include a specific annual job recruitment number

EDC's Response:

EDC staff concurs and will comply with recommendation #9.

IV. Evaluation of the development of a new incentive package for the recruitment of businesses to the area:

Background:

Currently Leon County offers a number of significant economic development programs to foster the growth and development of businesses within the area. The following is a brief overview of some of these existing programs.

Leon County Enterprise Zone:

The Leon County-Tallahassee Enterprise Zone (EZ) is a 20-square mile area across Leon County that is targeted for economic revitalization. Advocated by the County and approved by the State in 2002, this program offers significant tax incentives to home and business owners who renovate their homes, create jobs and expand businesses within the EZ, including:

- Jobs Credit: refund of state sales or corporate income tax based on new jobs created in EZ
- Building Materials Refund: refund of state sales tax paid on building materials for renovations of buildings in the EZ
- Property Tax Credit: refund of portion of property taxes for company's that expand in EZ

The EZ program has become popular, statewide, as it offers various state-funded tax rebates for programs structured to improve "local" economic redevelopment. The County's primary role is to provide full oversight of the program. Currently, the Board contracts with the EDC to manage this program for Leon County. The Enterprise Zone Development Agency, a governing body that is appointed by the Board of County Commissioners, provides further management oversight to the EZ.

The Qualified Target Industry Program:

The Qualified Target Industry (QTI) Program is a state incentive program that targets companies that create high wage jobs in targeted industries. After a thorough pre-approval screening process, this program provides tax refunds to qualifying companies primarily on their corporate income, sales and ad valorem taxes. Significantly, this program includes a local match of 20%. The Board currently escrows the County's match funding with the EDC as part of the annual contract. Currently, the

County's QTI match account at the EDC has a balance of nearly \$150,000 for future use on qualified businesses. These funds are separately invested and accounted for in the EDC's financial statements. Similar to other incentive programs, payments of QTI funds to the company will be made over a number of years, and only upon the evidence that the company's job creation and other performance goals are being met.

Targeted Business Pilot Program:

The Targeted Business Pilot Program (TBPP) is an initiative to induce business growth that is beneficial to Leon County and the City of Tallahassee. The program is designed to help implement the County and City's long-term vision for economically viable and environmentally sustainable growth.

TBPP seeks to reward businesses that will diversity the economy, are suited to the City and County's business mix, and will generate revenue growth from the sales of goods and services outside the local economy. In addition, TBPP seeks to reward business that locate in designated target areas for economic growth and development, build environmentally sensitive projects, do business with other local businesses, and practice good corporate citizenship. Funds awarded under this program are used to reimburse up to 100% of the cost of development fees and a portion of the capital investment of the business project based on ad valorem taxes paid. The amount of funding is based on a scoring system evaluated by a review committee with final approval granted by the County and City commissions.

Project North:

On June 28, 2005, the EDC presented the Board with a request to approve a financial incentive package of up to \$1.605 million for the relocation of the headquarters of a Canadian company specializing in magnetic-based air-conditioner compressors, Project North. This project is anticipated to generate 150 new jobs after the first three years and \$1.4 million in annual local taxes (inclusive of property and sales taxes). The \$1.6 million in new county direct incentives, requested by the EDC, is to be paid to the company over a period of time as part of a performance-based contract. Each payment would be made by the County if the company's job creation and payroll targets were met. The Board approved the EDC's relocation incentive proposal at a level determined by the Board up to \$1.605 million.

In addition, the EDC approached the City of Tallahassee with a similar incentive package for Project North. On July 13, 2005, the City Commission voted to approve the EDC's request of \$1.605 million in financial incentives. The EDC has also requested new direct incentives from the Leon County Research and Development Authority (Innovation Park) totaling \$1 million in the form of developable land within the Park.

The total incentive package, recommended by the EDC, amounts to \$6 million and includes the following key components:

- \$270,000 in Qualified Target Industry Incentive (QTI) Program (*existing incentive*)

- \$200,000 in Quick Response Training (QRT) Program (*existing incentive*)
- \$650,000 from Enterprise Florida in direct incentives (*existing incentive*)
- \$270,000 if relocated in the Leon County Enterprise Zone (*existing incentive*)
- \$300,000 County/City Targeted Business Pilot (TBPP) Program (*existing incentive*)
- \$100,000 additional from TCC for QRT initiatives (*existing incentive*)
- \$1.605 million from the County (*new incentive*)
- \$1.605 million from the City (*new incentive*)
- \$1 million from Innovation Park (*new incentive*)

Currently, the Canadian company officials are deciding between two communities, Tallahassee or Abilene, Texas as the new site for the company headquarters.

Observation #10: County Incentive Funds

Other counties across the state of Florida are offering incentive plans in order to recruit and retain businesses. For example, the Economic Development Department of Seminole County initiated a Jobs Growth Incentive Fund in 1995 for companies creating new jobs. Seminole County will consider awarding funds for expenses such as impact and permit fees, relocation costs, equipment purchases, land acquisition, building construction, loan interest pay-down, lease-hold improvements or any other legitimate business. This incentive fund is similar to Leon's County TBPP in that it offers special consideration to those seeking to locate in targeted redevelopment areas. Seminole County requires that new start-up companies must create a minimum of 3 new jobs that will earn 80% of the county's average annual wage. Expanding companies must increase their employee base by a minimum of 10% and the jobs created must earn at least 80% of the county's average annual wage. Companies relocating to Seminole County will need to create a minimum of 25 new jobs and must earn at least 115% of the county's average annual wage.

Okaloosa County provides a county administered ad valorem tax abatement program. This incentive provides a case-by-case exemption for real and/or tangible personal property improvements. Up 100% of the assessed value for all improvements to real property made by or for use of a new business may be exempted. An exemption of the assessed value of all added up improvements to real property and the net increase of tangible personal property is also allowed for expanding businesses. The business applying must pay higher than average wage and hire at least 10 additional employees as a result of the improvements.

Recommendation #10:

Staff recommends that the Board direct staff to meet with City and EDC in order to discuss development of a series of new direct incentive packages to offer companies looking to relocate to the Leon County area. These incentives packages would be standardized and provide a consistent approach to recruitment efforts.

EDC's Response:

EDC staff concurs and will comply with recommendation #10.

Conclusion:

In order to continue a contractual agreement with the EDC, staff recommends that the Board consider adopting all the recommendations within this report, which includes the following:

- *Recommendation #1:* Staff recommends that the Chamber produce invoices for the EDC in regards to the EDC's portion of the expenses. In addition, staff recommends that the Chamber and the EDC create a standard payment schedule detailing the level of payment and purpose.
- *Recommendation #2:* Staff recommends that the EDC rewrite the bylaws in order to accurately reflect the current organizational structure. Staff also recommends that the EDC distinctly outline the roles and responsibilities of both EDC President and Executive Director.
- *Recommendation #3:* Staff recommends that the EDC develop a method that provides proper documentation for shared employees and the time that they spend on EDC related matters.
- *Recommendation #4:* Staff recommends that the EDC Board Chairman, or designee, approve the EDC President and Executive Director's travel. Staff recommends that all travel requests be approved prior to it occurring and that the EDC provide documentation on the purpose of the trip and the desired result.
- *Recommendation #5:* Staff recommends that the EDC retain all financial records for a consistent period of time.
- *Recommendation #6:* Staff recommends that the EDC specifically outline the duties and responsibilities of FASBAC within the contract and compensate the enterprise appropriately. The current contract does not specify a monetary amount for the business retention service provided by FASBAC. This amount should be included within the contract. In addition, staff recommends that Director of Private Partnership report directly to the Executive Director and not the EDC President.
- *Recommendation #7:* Staff recommends that all EDC expenditures be used for the direct purpose of recruiting, retaining and nurturing businesses.
- *Recommendation #8:* Staff recommends that the EDC utilize the Wadley Donovan study in its efforts to recruit new businesses to the Leon County area.
- *Recommendation #9:* During any given year, the EDC may not be able to fulfill all the performance objectives outlined within in its contract with the County. Staff acknowledges that much of the EDC's efforts are multi -year in nature and may not produce results in any one given year. For example, the EDC did not recruit or retain 400 jobs but did manage to achieve most of the other objectives included in the contract. Therefore if it is the Board's direction to continue to contract with the EDC, staff recommends streamlining the 16 objectives outlined within the contract to the following:

- A contractual agreement directing the EDC to continue to recruit, retain and nurture local businesses to the Leon County/Tallahassee area
 - Require the EDC to submit a mid-year and annual report to the Board detailing their efforts in business recruitment, retention and serving as the Enterprise Zone Coordinator for this area and continue serving as the QTI administrator
 - Do not include specific annual job recruitment number
- *Recommendation #10:* Staff recommends that the Board direct staff to meet with City and EDC in order to discuss development of a series of new direct incentive packages to offer companies looking to relocate to the Leon County area. These incentives packages would be standardized and provide a consistent approach to recruitment efforts.

Options:

1. Accept staff's recommendations
2. Board direction.

Recommendation:

Option 1

Attachments:

1. EDC Members
2. EDC Board Members
3. 2004/2005 EDC Contract
4. EDC Membership and Benefits
5. EDC Response
6. EDC Bylaws
7. EDC Organizational Chart
8. EDC Travel Policy
9. Target Industry List
10. EDC Credit Card Policy
11. FASBAC Contract
12. County Administrator's Letter

as of June 2005

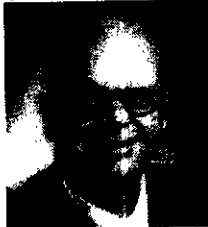


EDC Partner Directory:
Enter company, contact name, or category.

Site Selection Statistics Business Resources Private Investors Other Resources

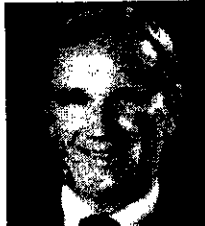
Denotes designated position

Chairman



E. Edward Murray Jr.
President
TALCOR Commercial Real Estate
Services, Inc.

***Chair-Elect**



William D. Law Jr.
President
Tallahassee Community College

Treasurer



Tripp Transou
President, Owner
Tri-Eagle Sales

***Executive Director**



R. Bradley Day, CECD
Executive Director
Economic Development Council

***Parwez Alam**
County Administrator
Leon County

Stan Barnes CFP, CLU
Vice President
BB&T Landrum-Yaeger, Inc.

Robert W. Bodine
CEO
Workforce Plus

Carmen Braswell Butler
Public Affairs Manager
Sprint

***Dr. Castell Bryant**
Interim President
Florida A&M University

Colonel Michael Coburn (Ret.)
President-Talla-Tech, Inc.
Talla-Tech, Inc.

***Honorable Ed DePuy**
Commissioner
Leon County Commission

***Sue Dick**
President
Economic Development Council and
Greater Tallahassee Chamber of
Commerce

Ray Eaton
Chairman, Innovation Park Board
E Group Systems

***Erin Ennis**
VP Finance and Administration
St. Joe Land Company

***Anita R. Favors**
City Manager
City of Tallahassee

***Allen Freeland**
Chair, Wakulla County EDC
Manager, Business Projects
St. Marks Powder, A General
Dynamics Company

***David Gardner**
Executive Director
Gadsden County Chamber of
Commerce and IDA

***Honorable Andrew Gillum**
Commissioner
City of Tallahassee

Bill Gunter
Chief Executive Officer
Rogers, Gunter, Vaughn Insurance

***Randall W. Hanna Esquire**
Chamber Chairman-Elect
Bryant, Miller and Olive, P.A.

John Hogan
CEO
Capital Health Plan

Frank Jameson
Area President
Wachovia Bank, N.A.

Rick Kearney
CEO
Mainline Information Systems, Inc.

Joseph A Kelley
President and CEO
GTO, Inc.

Jerry Kidd
President/CEO
The Kidd Group

Daniel Langston
President
Flightline-Group, Inc.

***Honorable John Marks**
Mayor
City of Tallahassee

KC McWilliams
General Manager
Comcast-Cablevision of Tallahassee
Inc.

William Montford
Superintendent
Leon County Schools

Mark O'Bryant
President/CEO
Tallahassee Memorial HealthCare

J. Michael Pate
President/Publisher
Tallahassee Democrat, Inc.

***David B. Ramsay**
EDC Immediate Past-Chairman
Chairman & CEO
SunTrust Bank, Northwest Florida

***Vernea Randolph**
Acting Principal
Lively Technical Center

Sharon Roush
CEO
Capital Regional Medical Center

William G Smith Jr.
Chairman of the Board
Capital City Bank

Kay Stephenson
President & CEO
Datamaxx-Group, Inc.

***Honorable Cliff Thael**
Chairman
Leon County Commission

Susan Thompson
President
Smith, Thompson, Shaw and

***Dr. T.K. Wetherell**
President
Florida State University

Kim Williams
President
Hamilton Leasing Partnership

Curtis Zimmerman
President/Owner
The Zimmerman Agency



signeo



Home | Site Selection | Research | Business Assistance | Partners | Other Resources | Staff Contacts | Tallahassee Chamber
© 100 North Duval Street | P.O. Box 1639 | Tallahassee FL 32302 | (850) 224-8116

AGREEMENT

Attachment # 3
Page 1 of 5

THIS AGREEMENT is made and entered into this 14 day of October, 2004, by and between Leon County, Florida, a political subdivision of the State of Florida ("County") and The Economic Development Council of Tallahassee/Leon County, Inc. ("Grantee").

WHEREAS, Leon County, by and through its Board of County Commissioners, at its final public hearing on the fiscal year 2004/05 budget on the 21st day of September, 2004 approved a disbursement of \$210,000.00, including \$25,000.00 for Economic Development Investment Fund local match for EFI-Qualified Target Industries Incentive (QTI), out of the County's General Funds effective October 1, 2004 for the following reason(s):

1. Create or retain a total of 400 jobs through business recruitment, retention and expansion efforts. A job is defined as a filled employment position paying salary and benefits. The EDC may only take credit for jobs in which the employer acknowledges the assistance provided by EDC playing a material role in the decision to relocate or expand.
2. Serve as Enterprise Zone Administrator for EZ 3701. Coordinate Enterprise Zone Development Agency Board.
3. Enhance the EDC Web site by redesigning the homepage, simplifying navigation, and creating "Project Tomorrow" investor section. Maintain site decision-making criteria, including demographics, labor data, major employers, etc.
4. Serve on the Leon County Fairgrounds Citizens' Advisory Committee and participate in Southern Strategy Area Economic Development Plan.
5. Identify partnerships for creation of incubator models.
6. Implement and direct business retention program. Survey at least 150 of Tallahassee/Leon County's major employers as part of the business retention program by conducting interviews and focus groups discussing areas of critical concern. Work in coordination with FAMU Small Business Development Center and other related organizations.
7. Develop Tallahassee/Leon County major employers "Supplier List" as possible prospects for recruitment and relocation opportunities.
8. Provide full site location services to new and expanding businesses.
9. Contact organizations and publications (i.e. *Money Magazine*, *Forbes*) responsible for ranking Tallahassee/Leon County in credible, national analyses of cities for purposes of citing criteria/background data.
10. Provide economic analysis of job creation annual results in terms of new taxes generated and overall economic impact. The EDC will conduct periodic surveys of

companies it has assisted to determine the actual number of jobs created versus their original projections.

11. Continue to broaden the public relations and educational efforts to inform the community of the benefits of economic diversification. This will be accomplished by making presentations to civic and social groups throughout the region.
12. Continue to coordinate Capital Region economic development (specifically to provide site selection and other services to Gadsden and Wakulla Counties).
13. Request continued participation on the Board of Directors for Florida's Great Northwest, Inc., which serves as a regional economic development and marketing organization. Maintain active involvement on committees and task forces.
14. Continue to coordinate volunteer-driven industry sector roundtables to promote business expansions: Association Management; Commercial Real Estate/Development; Distribution; Health Care; Manufacturing; Tal Tech Alliance.
15. Produce mid-year and annual progress reports to include recruitment, retention/expansion, and regional economic development activities.
16. Continued implementation of "Project Tomorrow" program as private sector funding sources with an annual goal of \$350,000.

WHEREAS, the Grantee has on file with the Board of County Commissioners of Leon County a "Funding Request Application" dated the 25th day of March 2004, in which the Grantee set out and identified the activities which it would undertake as a community service and identified the person or persons responsible for overseeing and assuring that those services would be delivered, and;

WHEREAS, the Grantee is a not for profit organization (501c3); and

WHEREAS, the funding herein is not to be construed by the Grantee as a continuing obligation on the part of the County; and

WHEREAS, the parties are desirous of reducing their intention to writing:

NOW THEREFORE, in consideration of the premises and mutual covenants contained herein, the parties to this Agreement do agree as follows:

1. The County hereby expresses its intent to disburse from its General Funds \$210,000.00 for the use and benefit of the Grantee, who hereby agrees to provide those services as set forth in the first Whereas clause and numbers 1-16.

Notwithstanding the intention of the County to make these disbursements, the County specifically

reserves the right to reduce, increase, or totally withdraw its financial commitment to the Grantee at any time and for any reason.

2. The disbursement of funds by the County to the Grantee shall be disbursed in two installments. The first installment shall be issued after the County receives an invoice for the services performed and is subject to funds totaling \$105,000.00 being appropriated effective November 15, 2004 (except for the provisions of #5 of this part).
3. The Grantee shall provide the County with a semi-annual performance report on meeting fiscal year 2004/05 program objectives and an annual financial audit for fiscal year 2003/04, no later than the 15th working day of May 2005 for fiscal year 2004/05.
4. "If the grantee expends less than \$300,000 in a year from all funding, the grantee is exempt from County audit requirements for that year. However, the agency will still be responsible for producing unaudited financial statements. If the grantee expends \$300,000 or more in a fiscal year from the County, State, Federal, and all other funding, an independent public accountant shall be employed to conduct a financial and compliance audit of its records. In addition to the above, the grantee shall provide the County, for their review, a copy of any audit received. All audits shall be submitted to the County within thirty days of receipt of issued report. The County reserves the right to conduct financial and program monitoring and to perform an audit of the Agency's records. An audit by the County shall encompass an examination of all financial transactions, all accounts and reports, as well as an evaluation of compliance with the terms and conditions of this AGREEMENT."
5. Prior to the release of funding totaling \$105,000.00, in November, 2004, the County may review the annual performance report to determine whether adequate progress has been made towards reaching the goals set forth in the fiscal year 2003/04 contract (Incorporated herein as Attachment B), as well as the goals listed in the Request for Funding for fiscal year 2004/05 (Incorporated herein as Attachment A). Prior to the release of funding, totaling \$105,000.00 in May, 2005, the County may review the semi-annual report to determine whether adequate progress has been made towards reaching the goals set forth in this contract. The County shall have the discretion to release the remaining funds or a portion thereof or to require further documentation. If at year-end, the job related goals have not been met, the County may require repayment of a proportional share of the \$210,000.00 of funding provided or it may carry forward those jobs to be created, thereby increasing the number of jobs to be achieved in the next year.
6. Nothing herein contained is intended or should be construed as creating or establishing the relationship of agency, partners, or employment between the parties hereto, or as constituting either party as the agent or representative of the other for any purpose. Grantee is not authorized to bind County to any contracts or other obligations and shall not expressly or implied represent to any party that Grantee and County are partners or that Grantee is the agent or representative of County.
7. The Grantee will comply with all applicable laws, ordinances, and regulations governing their operations.

8. In the event the County makes the disbursement, the Grantee shall maintain and keep any and all records necessary to substantiate that the Grantee has expended funds consistent with the activities as set out in its "Funding Request Application."
9. The Grantee shall produce to the County upon request any and all records that the County may direct to determine that the monies distributed to it by the County are being spent in accordance with the "Funding Request Application."
10. The Grantee shall conduct its funded activities in such a manner as to provide for nondiscrimination and full equality of opportunity regardless of race, color, religion, national origin, sex, age, handicap, marital status, or political affiliation or beliefs. Therefore, the Grantee agrees to comply with Title VII of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, and the Florida Human Rights Act, and the American Disabilities Act of 1990.
11. The Grantee agrees to indemnify and hold harmless the County from all claims, damages, liabilities, or suits of any nature whatsoever arising out of, because of, or due to the breach of this agreement by the Grantee, its delegates, agents or employees, or due to any act or occurrence of omission or commission of the Grantee, including but not limited to costs and a reasonable attorney's fee. The County may at its option, defend itself or allow the Grantee to provide the defense.
12. This agreement shall be governed by, construed, and enforced in accordance with the laws of the State of Florida.

IN WITNESS WHEREOF, the parties hereto have set their hands this 14 day of October, 2004.

LEON COUNTY, FLORIDA



BY: Jane G. Sauls
Jane G. Sauls, Chairman
Board of County Commissioners

ATTEST:

Bob Inzer, Clerk of Circuit Court

By: [Signature]

Approved as to Form:

By: [Signature]

Herbert W. A. Thiele, Esq.
County Attorney

Economic Development Council of Tallahassee/Leon County
Name of Organization

By: [Signature]

As Its: President

Attest: [Signature]

As Its: VP, Finance & Admin

EDC Membership and Benefit Levels

| Advisory Council | Contributors |
|---|--|
| Allows for participation for one CEO and three executives at EDC events | Allows for participation for one CEO at EDC events |
| Sustaining Partner \$20,000 per year <ul style="list-style-type: none"> All Trustee partner benefits Customized benefits discussion Company logo in Project tomorrow brochure ½ page advertisement in EDC Business Development guide | Development Partner \$2,500 per year <ul style="list-style-type: none"> All Benefactor partner benefits Company logo on EDC website banner rotation Business Needs Assessment service |
| Trustee Partner \$15,000 per year <ul style="list-style-type: none"> All Growth partner benefits Digital display of company logo prior to all EDC meetings/events | Benefactor Partner \$1,500 per year <ul style="list-style-type: none"> Bi-monthly e-newsletter Listing in EDC Business Development Guide Listing on EDC website EDC Annual Report and Scorecard |
| Growth Partner \$10,000 per year <ul style="list-style-type: none"> All Executive partner benefits Access to private briefings | |
| Executive Partner \$7,500 per year <ul style="list-style-type: none"> All Corporate partner benefits Company logo on EDC website; 3 to 1 ratio in banner rotation Recognition on signage at all EDC meetings/events | |
| Corporate Partner \$5,000 per year <ul style="list-style-type: none"> All Contributors benefits Enhanced listing in EDC Business Development Guide Priority listing or featured property on EDC web-based Buildings and Sites Database | |

Number of Members

| Advisory Council | Contributors |
|-------------------------------------|--------------------------------------|
| Sustaining Partner 6 members | Development Partner 7 members |
| Trustee Partner 4 members | Benefactor Partner 29 members |
| Growth Partner 8 members | |
| Executive Partner 3 members | |
| Corporate Partner 21 members | |
| Total: 42 members | Total: 36 members |



September 2, 2005

Mr. Alan Rosenzweig
Leon County Budget Director
301 S. Monroe Street, Suite 502
Tallahassee, FL 32301
HAND DELIVERED 09/02/2005

Dear Mr. Rosenzweig:

Thank you for providing the Economic Development Council of Tallahassee/Leon County, Inc. with a draft of the workshop item on the review of the EDC. Please find attached our response to the review.

Please let us know if we can be of further assistance.

Sincerely yours,

R. Bradley Day
Executive Director

Tripp Transou
Treasurer

Attachment



Attachment A-EDC Response to Leon County Staff Review

Recommendation #1:

Staff recommends that the Chamber produce invoices for the EDC in regards to the EDC's portion of the expenses. In addition, staff recommends that the Chamber and the EDC create a standard payment schedule detailing the level of payment and purpose.

Response to Recommendation #1:

EDC Staff concurs and will comply with *Recommendation #1*.

EDC Action-CPA will prepare a monthly report on the "due to/due from" account between the Chamber and the EDC to accompany a monthly payment request.

Clarification regarding specific comments in Observation #1:

The EDC provided examples of "due to/due from" accounts from each of the fiscal years that were audited.

Recommendation #2:

Staff recommends that the EDC rewrite the bylaws in order to accurately reflect the current organizational structure. Staff also recommends that the EDC distinctly outline the roles and responsibilities of both EDC President and Executive Director.

Response to Recommendation #2:

EDC Staff concurs and will comply with *Recommendation #2*.

Recommendation #3:

Staff recommends that the EDC develop a method that provides proper documentation for shared employees and the time they spend on EDC related matters.

Response to Recommendation #3:

EDC Staff concurs and will comply with *Recommendation #3*.

Clarification regarding specific comments in Observation #3:

The EDC currently utilizes a system that adequately controls time management for professional level employees.

Recommendation #4:

Staff recommends that the EDC Board Chairman, or designee, approve the EDC President and Executive Director's travel. Staff recommends that all travel requests be approved prior to it occurring and that the EDC provide documentation on the purpose of the trip and the desired result.

Response to Recommendation #4:

EDC Staff concurs and will comply with *Recommendation #4*.

Clarification regarding specific comments in Observation #4:

The EDC provided copies of credit card statements, travel vouchers and check registers for reimbursements paid for each of the fiscal years audited.

Recommendation #5:

Staff recommends that the EDC retain all financial records for a consistent period of time.

Response to Recommendation #5:

EDC Staff concurs and will comply with *Recommendation #5*.

EDC Action-Request guidance from CPA audit firm that handles annual audit and comply with generally accepted accounting principles (GAAP) for record retention.

Recommendation #6:

Staff recommends that the EDC specifically outline the duties and responsibilities of FASBAC within the contract and compensate the enterprise appropriately. The current contract does not specify a monetary amount for the business retention service provided by FASBAC. This amount should be included within the contract. In addition, staff recommends that Director of Private Partnership report directly to the Executive Director and not the EDC President.

Response to Recommendation #6:

EDC Staff concurs and will comply with *Recommendation #6*.

EDC Action-Adjust contract with FASBAC for FY 05-06 to reflect recommendations regarding clarification of duties and responsibilities and direct reporting protocol.

Recommendation #7

~~Staff recommends that all EDC expenditures be used for the direct purpose of recruiting,~~
retaining and nurturing businesses.

Response to Recommendation #7:

EDC Staff concurs and will comply with *Recommendation #7*.

Clarification regarding specific comments in Observation #7:

In the EDC's opinion and in their executive judgment, all sited expenses were for the direct purpose of recruiting, retaining and nurturing businesses.

Recommendation #8:

Staff recommends that the EDC utilize the Wadley Donovan study in its efforts to recruit new businesses to the Leon County area.

Response to Recommendation #8:

EDC Staff concurs and will comply with *Recommendation #8*.

Recommendation #9:

During any given year, the EDC may not be able to fulfill all the performance objectives outlined within in its contract with the County. Staff acknowledges that much of the EDC's efforts are multi-year in nature and may not produce results in any one given year. For example, the EDC did not recruit or retain 400 jobs but did manage to achieve most of the other objectives included in the contract.

Therefore if it is the Board's direction to continue to contract with the EDC, staff recommends streamlining the 16 objectives outlined within the contract to the following:

- A contractual agreement directing the EDC to continue to recruit, retain and nurture local businesses to the Leon County/Tallahassee area
- Require the EDC to submit a mid-year and annual report to the Board detailing their efforts in business recruitment, retention, serve as the Enterprise Zone Coordinator for this area and continue to serve as the QTI administrator
- Do not include a specific annual job recruitment number

Response to Recommendation #9:

EDC Staff concurs and will comply with *Recommendation #9*.

Recommendation #10:

~~Staff recommends that the Board direct staff to meet with City and EDC in order to~~
discuss development of a series of new direct incentive packages to offer companies
looking to relocate to the Leon County area. These incentives packages would be
standardized and provide a consistent approach to recruitment efforts.

Response to Recommendation #10:

EDC Staff concurs and will comply with Recommendation #10.

BYLAWS
OF
THE ECONOMIC DEVELOPMENT COUNCIL OF
TALLAHASSEE/LEON COUNTY
A FLORIDA CORPORATION NOT FOR PROFIT

ARTICLE I

ADMINISTRATIVE MATTERS

1.01. **Bylaws.** These Bylaws constitute the rules and regulations of The Economic Development Council of Tallahassee/Leon County (the "Corporation").

1.02. **Seal.** The seal of the Corporation shall be circular in form and shall have inscribed thereon the name of the corporation and the year and the state of incorporation.

1.03. **Place of Business.** The principal place of business of the Corporation shall be Tallahassee, Florida. The Corporation may have offices within or without the State of Florida.

1.04. **Fiscal Year.** The fiscal year of the Corporation shall be October 1 through September 30 of each year.

ARTICLE II

MEMBERSHIP

2.01. **Membership Classes.** The Corporation shall have no voting members. The Board shall have the exclusive right to establish nonvoting honorary classes of membership from time to time and to determine the terms, conditions, and limitations applicable to such members, if any, including without limitation the right to establish additional or different classes of membership. The Board shall adopt, from time to time, a form of application for membership and a schedule of membership dues, if any, which application and dues may vary for each class of members.

ARTICLE III

DIRECTORS

3.01. Duties. The powers of the Corporation shall be exercised by or under the authority of, and the affairs of the Corporation shall be managed under the direction of, the Board.

3.02. Number of Directors and Tenure. The Board shall be composed of a minimum of thirty and a maximum of thirty-five members. The number of directors may be increased or decreased from time to time by amendment to these Bylaws, but in no case shall the number of directors be less than three; provided, however, no decrease shall have the effect of shortening the term of any incumbent director. The terms of the directors shall expire at the annual meeting of the Corporation at which directors are elected by the Board based upon the provisions of paragraph 3.03. Each director, however, shall hold office until his successor shall have been designated and qualified. Directors must be natural persons who are eighteen years of age or older, but need not be residents of Florida.

3.03. Composition of the Board of Directors.

3.03.1 Board Members Designated by Position. The following persons, during their tenure of service in the office designated and by virtue of such office, shall serve as members of the Board of Directors of the Corporation: (1) the Mayor of the City of Tallahassee (or the designee thereof); (2) one Commissioner of the City of Tallahassee (to be appointed by the Mayor of the City of Tallahassee); (3) the City Manager of Tallahassee (or the designee thereof); (4) the Chairperson of the Leon County Commission (or the designee thereof); (5) one additional County Commissioner (to be appointed by the Chairman of the Leon County Commission); (6) the County Administrator (or the designee thereof); (7) The President of Florida State University (or the designee thereof); (8) the President of Florida A & M University (or the designee thereof); (9) the President of Tallahassee Community College (or the designee thereof); (10) the Principal of Lively Technical Center (or the designee thereof); (11) the Chair of the Economic Development Council; (12) the Chair of the Greater Tallahassee Chamber of Commerce; (13) the President of the Greater

Tallahassee Chamber of Commerce; (14) the Immediate Past Chair of the Economic Development Council; (15) the Chair-elect of the EDC; (16) the Chair-elect of the Greater Tallahassee Chamber of Commerce; and (17) the Leon County Superintendent of Schools. The individuals serving as directors pursuant to this paragraph shall continue to serve until they are no longer qualified by virtue of their position or a successor is designated.

3.03.2 Nominating Committee. During the last quarter of the fiscal year, a Nominating Committee made up of the current EDC Chairman, the two most recent surviving and available past Chairs of the EDC, the Chairman of the Greater Tallahassee Chamber of Commerce and the two most recent surviving and available past Chairs of the Chamber, shall present a slate of candidates to serve as members of the Board of Directors and candidates to serve as Officers. The Chair-Elect shall serve as the Presiding Officer of the Nominating Committee. Persons serving on the Board pursuant to this paragraph shall be current corporate members in good standing of the EDC and of the Greater Tallahassee Chamber of Commerce. In the event the chair is unable to serve out a complete term, the chair-elect shall serve as chair. At the September meeting of the Board of Directors, the Nominating Committee will issue its formal report. All new Directors or Officers of the organization shall be elected by a majority vote of the Board of Directors.

3.03.3 Ex Officio Members. There will be two ex officio members of the Board: the Chair of the Wakulla County Economic Development Council and the Chair of the Gadsden County Economic Development Council who shall have all the rights and privileges of board membership but shall not have the right to vote.

3.04. Vacancies. Whenever a vacancy occurs in the Board by death, resignation, removal, increase in the number of directors, or otherwise, the same shall be filled by the person filling the office which was designated to serve as a board member or by the designation of a successor by the person authorized by these bylaws to so designate the director. The director so designated shall hold office for the unexpired term of his or her predecessor in office.

3.05. Place, Call, and Adjournment of Directors' Meetings. Meetings of the Board may be held within the state of Florida. Meetings of the Board may be called by the Chairperson of the Board or by any three directors. The Chairperson shall preside at all Board meetings.

Except as otherwise provided by statute or by the Articles of Incorporation, a majority of the directors present at a meeting, whether or not a quorum is present, may adjourn any meeting to another time and place. Notice of any adjournment of a meeting to another time and place shall be given, in the manner described in paragraph 3.07, to the directors who were not present at the time of the adjournment and, unless such time and place are announced at the meeting, to the other directors.

3.06. Annual Meetings. The Board shall meet each year for the purpose of organization, election of officers, and consideration of any other business that may properly be brought before the meeting. Such annual meeting shall be held in the last quarter of each fiscal year.

3.07. Other Meetings. Except as otherwise provided by statute or by the Articles of Incorporation, other meetings of the Board may be held upon written notice by mail, telegram or facsimile machine at least two days prior to the day for such meeting or upon notice by telephone at least one day prior to the day for such meeting. Notice of any meeting of the Board may be waived in writing, signed by the person or persons entitled to such notice, whether before or after the time of such meeting. Attendance of a director at such meeting shall constitute a waiver of notice thereof, unless the director expressly protests the insufficiency of notice at the beginning of the meeting. The purpose or purposes of such meeting of the Board need not be specified in the notice or waiver of notice of such meeting.

3.08. Quorum and Acts. Except as otherwise provided by statute or by the Articles of Incorporation, a majority of the members of the Board shall constitute a quorum for the transaction of business. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board, except that any action required or permitted to be taken at any

meeting of the Board may be taken without a meeting if a consent in writing, setting forth the action to be taken, signed by all of the directors, is filed in the minutes of the proceedings of the Board.

Members of the Board or any committee thereof shall be deemed present at any meeting of the Board or the committee if a conference telephone or other similar communications equipment by means of which all persons participating in the meeting can hear and speak to each other is used.

3.09. Resignation. Any director of the Corporation may resign at any time by giving written notice to the Board, the President, or the Secretary of the Corporation. Such resignation shall take effect at the time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

3.10. Committees. An Executive Committee shall serve and be made up of the Chair and Chair-Elect of the EDC, the Chair and Chair-Elect of the Chamber of Commerce, the Immediate Past Chair of the EDC and the Immediate Past Chair of the Chamber. By resolution adopted by a majority of the entire Board, the Board may designate other committees, each to serve until the next succeeding annual meeting and until their successors have been designated and each of which, to the extent provided in the resolution, shall have all the authority of the Board, except that no such committee shall have authority to:

- (1) Fill vacancies on the Board or any committee thereof;
- (2) Amend the Bylaws; or
- (3) Obligate the Board financially or contractually.

The Board may designate one or more directors as alternate members of any such committee, who may replace any absent member or members at any meeting of such committee, each to serve until the next succeeding annual meeting and until their successors have been designated.

Unless a greater proportion is required by the resolution designating a committee, a majority of the entire authorized number of members of such committee shall constitute a quorum for the

transaction of business, and the vote of a majority of the members present at a meeting at the time

~~of such vote, if a quorum is then present, shall be the act of such committee, except that any action~~
which may be taken at a meeting of such committee may be taken without a meeting if consent in writing, setting forth the action so to be taken, signed by all of the members of the committee, is filed in the minutes of the proceedings of the committee.

Any committee created hereunder shall serve at the pleasure of the Board, and a member thereof may be removed or the entire committee dissolved, with or without cause, by majority vote of the entire Board.

3.11. Advisory Committees. By resolution adopted by a majority of the entire Board, the Board may designate an advisory committee of persons, who need not be directors or members, to counsel with the Board in respect of the affairs of the Corporation. The advisory committee may make recommendations to the Board on matters pertaining to the objects and purposes for which the committee was formed and shall conduct its operations in the manner provided for committees of the Board, but shall not have or exercise any of the authority of the Board.

3.12. Compensation. Directors and committee members shall serve without compensation, but shall be reimbursed for travel and lodging expenses incurred for attendance at meetings of the Board or the committee, as applicable. Directors and committee members may be reimbursed for ordinary and necessary expenses incurred in furtherance of the tax-exempt purposes of the Corporation as described in the Articles of Incorporation and authorized, approved, or ratified in accordance with the provisions of the following Section.

3.13. Interest of a Director in Transactions. No contract or other transaction shall be permitted between the Corporation and its directors if such contract or other transaction would constitute an act of self-dealing or otherwise contravene any of the requirements of the Articles of Incorporation.

No contract or other transaction between the Corporation and one or more of its directors or any other corporation, firm, association, or entity in which one or more of its directors are directors

or officers or are financially interested, shall be either void or voidable because of such relationship ~~or interest or because such director or directors are present at the meeting of the Board (or a~~
committee thereof) which authorizes, approves, or ratified such contract or other transaction or
because his or their votes are counted for such purpose, if:

(1) The fact of such director's relationship or interest is disclosed or known to the
Board or committee which authorizes, approves, or ratifies the contract or other transaction by a
vote or consent sufficient for the purpose without counting the vote or consent of such interested
director; or

(2) The contract or other transaction is fair and reasonable as to the Corporation at
the time it is authorized by the Board or a committee.

Common or interested directors may be counted in determining the presence of a quorum at
a meeting of the Board (or a committee thereof) which authorizes, approves, or ratifies such
contract or other transaction.

ARTICLE IV

OFFICERS

4.01. Officers. At the annual meeting each year, the Board shall elect a Chairperson, a
Chair-elect, a President, a Secretary, and a Treasurer, and such other officers and assistant officers
as may be deemed appropriate by the Board. In addition, the Board may elect an Executive Vice-
President, Assistant Vice-President, Assistant Secretary and Assistant Treasurer. Any two or more
offices may be held by the same person. All officers shall serve until the next annual meeting of the
Board and until their earlier resignation, removal from office, inability to act, or death.

4.02. Vacancies. Whenever a vacancy occurs in any office by resignation, removal,
inability to act, death, increase in the number officers of the Corporation, or otherwise, the same
shall be filled by the Board, and the officer so elected shall hold office until his successor is elected
and qualified.

4.03. Duties. The President shall be the chief executive officer of the Corporation and

~~shall be responsible for carrying out the policy direction of the Board.~~

The Secretary shall have custody of and maintain all of the corporate records, except the financial records, and shall perform such duties as are from time to time assigned by the Board.

The Treasurer shall have custody of all corporate funds and financial records, shall keep full and accurate accounts of receipts and disbursements, and render account thereof at the annual meeting and whenever else required by the Board or President, and shall perform such duties as are from time to time assigned by the Board. If additional officers are elected by the Board as outlined in paragraph 4.01, the Board shall also provide for the duties of such officers.

4.04. Compensation. The compensation, if any, of the officers shall be fixed, from time to time, by the Board.

4.05. Removal. Any officer elected or appointed by the Board may be removed by the Board whenever in its judgment the best interests of the Corporation will be served thereby. Removal shall be without prejudice to the contract rights, if any, of the person removed. Election or appointment of an officer shall not of itself create contract rights.

4.06. Resignation. Any officer of the Corporation may resign at any time by giving written notice to the Board, the President, or the Secretary of the Corporation. Such resignation shall take effect at the time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

4.07. Corporate Instruments. All checks and drafts on, and withdrawals from, the Corporation's accounts with banks or other financial institutions, and all bills of exchange, notes and other instruments for the payment of money, drawn, made, endorsed, or accepted by the Corporation, shall be signed on its behalf by the person or persons thereunto authorized by, or pursuant to resolution of, the Board.

ARTICLE V

AMENDMENTS

5.01. By Board. The Board shall have the power to alter, repeal the Bylaws or adopt new Bylaws.

ARTICLE VI

BOOKS

6.01. Keeping Books and Records. The Corporation will keep complete and accurate books and records, and will also keep minutes of the proceedings of its Board and committees. The Corporation will keep at its principal place of business a membership register giving the names, addresses, and other details of the membership, if any, and the original or a copy of its Bylaws, including amendments to date certified by the Secretary of the Corporation.

6.02. Inspection. All books and records of the Corporation may be inspected by any director for any proper purpose at any reasonable time on written demand stating such purpose.

ARTICLE VII

INDEMNIFICATION

7.01. Standard of Conduct. Any person who was or is a party, or is threatened to be made a party, to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, and whether formal or informal (collectively referred to hereinafter as "proceeding"), by reason of the fact that he is or was a director, officer, employee, or agent (including a volunteer) of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee, or agent (including a volunteer) of another corporation, partnership, joint venture, trust, or other enterprise, shall be indemnified by the Corporation, pursuant to a determination by a court or as authorized by the Corporation in the specific case, as follows:

(1) With respect to any proceeding other than an action by or in the right of the Corporation, he shall be indemnified against expenses (including attorneys' fees), judgments, fines, penalties, and amounts paid in settlement actually and reasonably incurred by him in connection with such

proceeding, including any appeal thereof, if he acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the Corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful.

(2) With respect to any proceeding by or in the right of the Corporation to procure a judgment in its favor, he shall be indemnified against expenses (including attorneys' fees) and amounts paid in settlement not exceeding, in the judgment of the Board, the estimated expense of litigating the proceeding to conclusion, actually and reasonably incurred by him in connection with the defense or settlement of such proceeding, including any appeal thereof, if he acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the Corporation; provided, however, that no indemnification shall be made under this subsection in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable unless, and only to the extent that, any court of competent jurisdiction shall determine upon application that such person is fairly and reasonably entitled to indemnity for such expenses as the Court shall deem proper.

(3) To the extent that such person has been successful on the merits or otherwise in defense of any proceeding referred to in this section, or in defense of any claim, issue, or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

7.02 Determination by Corporation. (1) A determination by the Corporation in the specific case that indemnification is proper in the circumstances because the applicable standard of conduct has been met shall be made:

(a) By the Board by a majority vote of a quorum consisting of directors who were not parties to such proceeding;

(b) If such a quorum is not obtainable, or even if obtainable, by majority vote of a committee duly designated by the Board (in which designation directors who are parties may

participate), which committee consists solely of two or more directors not at the time parties to such proceeding; or

(c) By independent legal counsel selected by the Board prescribed in subparagraph (a) or the committee prescribed in subparagraph (b); or if such quorum is not obtainable and such committee cannot be designated, selected by majority vote of the entire Board (in which directors who are parties may participate).

(2) Evaluation of the reasonableness of expenses and authorization of indemnification shall be made in the same manner as prescribed above for the determination that indemnification is permissible. However, if the determination of permissibility is made by independent legal counsel, then the persons specified in Subsection (1)(c) above shall evaluate the reasonableness of expenses and may authorize indemnification.

7.03. Advancement of Expenses. Expenses (including attorneys' fees) incurred by an officer or director in defending a proceeding may be paid by the Corporation in advance of the final disposition of such proceeding upon receipt of an undertaking by or on behalf of such director or officer to repay such amount if he is ultimately found not to be entitled to indemnification as authorized in these Bylaws or pursuant to applicable law. Expenses incurred by other employees and agents may be paid in advance upon such terms or conditions as the Board determines appropriate.

7.04 Continuation. Indemnification and advancement of expenses hereunder shall continue, unless otherwise provided when authorized or ratified, as to a person who has ceased to be a director, officer, employee, or agent and shall inure to the benefit of the heirs, executors, and administrators of such person.

7.05. Nonexclusivity. The foregoing rights of indemnification and advancement of expenses are not exclusive of any other rights to which any such person may be otherwise entitled apart from these Bylaws and shall not be deemed to limit the power of the Corporation to make any other or further indemnification or advancement of expenses as permitted under any applicable law.

7.06. Limitation on Indemnification. Notwithstanding the foregoing provisions,

~~indemnification or advancement of expenses shall not be made to or on behalf of any director,~~

officer, employee, or agent if a judgment or other final adjudication establishes that his actions, or omissions to act, were material to the cause of action so adjudicated and constitute:

(1) A violation of the criminal law, unless the director, officer, employee, or agent had reasonable cause to believe his conduct was lawful or had no reasonable cause to believe his conduct was unlawful;

(2) A transaction from which the director, officer, employee, or agent derived an improper personal benefit;

(3) In the case of a director, a circumstance under which the liability provisions of Section 607.0834, Florida Statutes, are applicable; or

(4) Willful misconduct or a conscious disregard for the best interests of the Corporation in a proceeding by or in the right of the Corporation to procure a judgment in its favor or in a proceeding by or in the right of a shareholder.

7.07. Insurance. The Board may authorize the purchase and maintenance of insurance on behalf of any person who is or was a director, officer, employee, or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise against any liability asserted against him and incurred by him in any such capacity or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability under the provisions of these Bylaws or applicable law.

7.08. Notice. If any expenses or other amounts are paid by way of indemnification (other than by court order, or an insurance carrier pursuant to insurance maintained by the Corporation), the Corporation shall deliver either personally or by mail to each member of the Board of Directors at the time entitled to vote for the election of directors a statement specifying the persons paid, the amount paid, and the nature and status at the time of such payment of the litigation or threatened

litigation. Such statement shall be delivered not later than the next annual meeting, unless such meeting is held within three months from the date of such payment, and, in any event, within 15 months from the date of such payment.

Approved and adopted as the Bylaws of the Corporation this 15th day of February 2001.

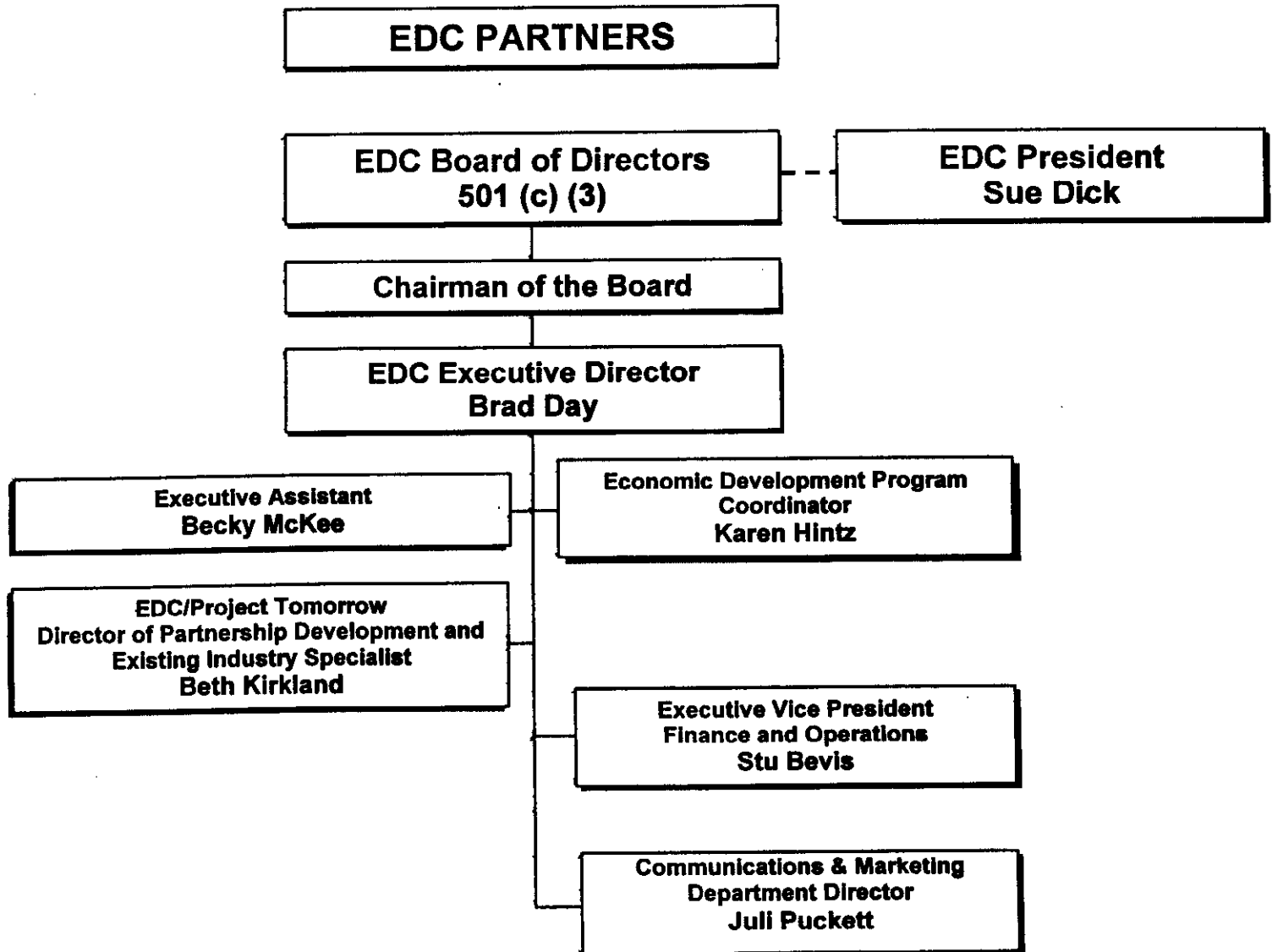
Revised, approved and adopted as the Bylaws of the Corporation this 27th day of September 2001.

Secretary (signature)

Printed Name/Title

Economic Development Council of Tallahassee/Leon County, Inc.
ORGANIZATIONAL CHART

July 2005



Travel and Entertainment

It is the policy of the Chamber/EDC to reimburse reasonable travel and entertainment expenses incurred by authorized staff members during the course and scope of their employment. All travel must be approved in advance by the President. The employee is required to complete an expense voucher listing in detail, by day, all expenses to be reimbursed. Receipts for air travel, car rental and hotels must be attached to the voucher.

Reimbursement for mileage will be in accordance with current IRS mileage standards. All mileage forms must be approved by the employee's supervisor and will be processed on the same schedule as payroll. Reimbursement forms should be submitted to the Executive Vice President of Finance and Operations by the 12th and 26th of each month.

Any request for advance travel funds must be approved by the President. The employee must account for all expense advances within two (2) days upon return from trip.



☒ EDC Partner Directory:
Enter company, contact name, or category.

Site Selection **Statistics** **Business Resources** **Private Investors** **Other Resources**

Target Industry List

Economic Development Council of Tallahassee/Leon County, Inc.

MANUFACTURING FACILITIES

- Chemical Manufacturing
- Pharmaceutical Manufacturing
- Plastics & Rubber Products Manufacturing
- Computer & Electronic Product Mfg.
- Computer & Electronic Component Mfg.
- Electromedical Apparatus Mfg.*
- Irradiation Apparatus Mfg.*
- Laser Manufacturing*
- Optoelectronics Manufacturing*
- Reproducing Magnetic & Optical Media Mfg.*
- Semiconductor Manufacturing*
- Software Reproducing*
- Transportation Equipment Manufacturing
- Aviation & Aerospace Manufacturing
- Machinery Manufacturing
- Electronic Flight Simulator Manufacturing*
- Instruments for Measuring & Testing Elec.*
- Lens Manufacturing*
- Optical Instruments Manufacturing*
- Power Distrib., Generation & Technology*
- Electrical Equipment Manufacturing
- Appliance Component Manufacturing*
- Fiber Optic Cable Manufacturing*
- Miscellaneous Manufacturing
- Surgical & Medical Instrument Mfg.*
- Food & Beverage Products Manufacturing
- Textile Mills & Apparel Manufacturing
- Wood & Paper Product Manufacturing
- Printing & Related Support Activities
- Metal Manufacturing
- Furniture & Related Products Mfg.

FINANCE & INSURANCE SERVICES

- Nondepository Credit Institutions
- Credit Intermediation & Related Activities*
- Securities, Commodity Contracts
- Insurance Carriers
- Funds, Trust & Other Financial Vehicles

WHOLESALE TRADE

- Business-to-Business Electronic Marketing

INFORMATION INDUSTRIES

- Sound Recording Industries
- Integrated Record Production/Distribution*
- Film, Video & Electronic Media
- Production (Excluding temporary "on location" filming)*
- Postproduction Services*
- Information Services & Data Processing
- Internet Service Providers, Web Search Portals*
- Data Processing Services*
- On-line Information Services*
- Publishing Industries
- Software Publishing*
- Music Publishing*
- Telecommunications
- Satellite Communications*

PROFESSIONAL, SCIENTIFIC & TECHNICAL SERVICES

- Professional, Scientific & Technical
- Computer Programming/Software Development*
- Computer System Design*
- Management, Scientific & Tech Services*
- Research & Development*
- Scientific & Technical Consulting Services*
- Simulation Training*
- Testing Laboratories*
- Bio-Medical & Bio-Science

MANAGEMENT SERVICES

- Management Services
- National, International & Regional Headquarters*
- Office of Bank Holding Companies*

ADMINISTRATIVE & SUPPORT SERVICES

- Customer Care Centers
- Telephonic & On-line Business Services*
- Customer Support*
- Transaction Processing*
- Technical Support*
- Credit Bureaus

For additional information contact the Economic Development Council of Tallahassee/Leon County, Inc. (850) 224-8116

Economic Development Council of Tallahassee/Leon County, Inc.
Policy Statement

Credit Cards Issued to Employees for Business Purposes

Corporate credit cards are issued to officers or employees who are required to travel and/or entertain due to the nature of their job responsibilities. These cards remain the property of the Economic Development Council of Tallahassee/Leon County, Inc. (EDC) and are for the express purpose of charging reimbursable expenses, incurred by the individual, for the benefit of the EDC.

The following pertains to the use of the card:

1. Corporate credit cards will be issued upon the recommendation of the Vice President of Finance when approved by the President.
2. Corporate credit cards will be used for business purposes only. Use for personal expenses is strictly prohibited and may result in termination of employment.
3. If a staff member should inadvertently charge a personal expense against his/her corporate credit card, such charge is to be paid in full from personal funds on or before the payment due date.
4. Corporate credit card statements will be mailed to the individual in possession of the card on a monthly basis. The balance shown on the statement must be accounted for with receipts, unless there is a disputed charge that has been reported as such through the credit card network.
5. Monthly, the employee will itemize charges on the card and forward with a voucher, no later than three days after the statement is received, to the Fiscal Manager for payment. All receipts should be included with the voucher and statement.
6. Corporate credit card balances will be paid in full and the credit card surrendered when a person leaves the organization.
7. Cash advances on corporate credit cards are not permitted.
8. Balances should not be carried forward, and the employee will be personally responsible for all finance and/or late charges should these inadvertently occur.

I, _____, have received and reviewed a copy of the "Credit Cards Issued to Employees for Business Purposes" policy. I agree to comply with the terms and conditions expressed therein. Should there be an instance where this policy is violated, I agree to immediately inform the Vice President of Finance or other appropriate manager.

Name

Date

Beth Kirkland
President
FASBAC Enterprises, Inc.
2961 Golden Eagle Drive
Tallahassee, FL 32312

Dear Beth,

This letter serves as a contractual agreement between the Economic Development Council of Tallahassee/Leon County, Inc. and FASBAC Enterprises, Inc. for the term October 1, 2004 through September 30, 2005. (Compensation will be made on the final payday of each month over a 12 month period.) This agreement may be terminated with 30 days written notice by either party.

The position of Director of Partnership Development will report directly to the President of the EDC. The one year contractual compensation will be \$40,000 for the defined term of the agreement. A bonus payout of \$5,000 will be paid based on securing a minimum of \$415,000 in received/deposited membership revenue for the period of October 1, 2004 – September 30, 2005.

Additional bonus payout opportunities are available based on the following Revenue Payout Schedule: For any received/deposited membership revenue over the base of \$415,000, a 10% bonus will be paid at the end of the contract for the difference of the revenue. (Example: If at year end, \$400,000 is received/deposited, a bonus of \$2,500 will be paid in addition to the pre-determined \$5,000 bonus.)

Detailed deliverables as defined in the Project Tomorrow 2002-2006 Plan of Work will serve as the criteria for performance. The following programs and investor relations activities will be the primary responsibility for the duration of the contract:

EDC Partner Forums – (a minimum of two to include the annual meeting)

BI-Monthly E-Newsletter – (emailed to all partners every six to eight weeks)

Annual Performance Report and Scorecard – (distributed by October/November)

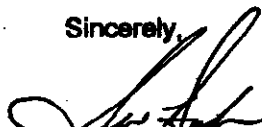
Investor's Visits – (Retention visits to partners contributing a least \$2,500 a year will be conducted in coordination with other EDC staff.)

EDC Partner Directory & Business Guide – (An annual membership directory and business guide will be created and distributed between each year.)

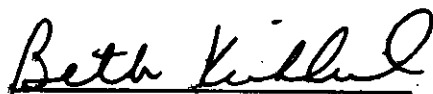
Supplemental Collateral and Programs – (Activities not yet defined; however, agreed upon for the benefit of the program.)

Thank you for your interest and assistance in the future development of the EDC initiatives. I look forward to the opportunity of working with you.

Sincerely,


Sue Dick
President

Accepted by:



Date: 10/1/04

BOARD OF COUNTY COMMISSIONERS

April 21, 2005

301 South Monroe Street
Tallahassee, Florida 32301
(850) 488-4710

R. Bradley Day, Executive Director
Tallahassee-Leon County Economic Development Council
100 N. Duval Street
Tallahassee, FL 32302

Dear Mr. Day:

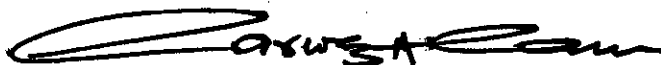
I am writing to inform you that I am in receipt of the invoice for \$105,000 from the EDC and am processing same for payment in full at this time. However, this letter is also to express my concern regarding the level of progress made by the EDC during the past 6 months in meeting each of the contract's key performance measures (Attachment #1).

The contract for FY 04/05 between the County and the EDC outlines sixteen (16) specific performance targets for the EDC to meet or exceed. The EDC's Semi-Annual Status Report updates the County on the progress in meeting these objectives to date (Attachment #2). While a number of performance objectives are on pace to be met, I am concerned with the EDC's progress in meeting performance measure #1: "Create or retain a total of 400 jobs through business recruitment, retention or expansion efforts." As you reported, although EDC is currently working on numerous active projects to generate new jobs, *"No companies assisted by the EDC have made expansion or relocation announcements in the first two quarters of Fiscal Year 2004-2005."*

It is my expectation that significant progress will be made during the last two quarters of this fiscal year toward meeting the job creation contractual performance goal. I am also hopeful that the EDC will work closely to update the County on any progress made in meeting all performance measures in the months ahead. The Board will address economic development issues during their June 14th Workshop on the FY 05/06 Budget and at their June 28th Workshop on Economic Development. Please coordinate with my office to take part in this important economic development review process.

Should you have any questions on this issue, please do not hesitate to contact myself or Ben Pingree, Assistant to the County Administrator, at #488-9962.

Sincerely,



Parwez Alam
County Administrator

CC: The Honorable Leon County Board of County Commissioners
Vincent Long, Assistant County Administrator
Benjamin H. Pingree, Assistant to the County Administrator
Sue Dick, President, Greater Tallahassee Chamber of Commerce



Commissioners:
IAN C. PROCTOR, JR.
#1
G. SAULS
#2
WINCHESTER
#3
GRIPPA
#4
RACKLEFF
#5
EPUY
#6
THIELL
#7
NEZ ALAM
County Administrator
#488-9962
BERT W.A. THIEL
County Attorney
#487-1006